



The Round-Up: February 9th 2007

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['Brutal' period faces gas producers](#)

A double whammy of rising costs and falling prices threaten to undermine the competitiveness of Canada's natural gas industry, observers said Thursday.

And producers face another summer of discontent characterized by bulging storage inventories and weak prices, said Bill Gwozd, a senior vice-president with Calgary-based Ziff Energy Group.

"I see more brutality coming later in the year," he said in an interview. "Pity the poor producer."

[Billions lost in Kyoto carbon trade loophole](#)

Billions of dollars are being wasted in the international carbon trading system owing to a loophole in the Kyoto protocol, according to a study to be published on Thursday in the journal Nature.

The Financial Times revealed last month that a few Chinese factories and carbon traders were making large profits by exploiting the regulations in the protocol surrounding a potent greenhouse gas, HFC-23.

By installing cheap equipment, the companies could gain "carbon credits" which they could sell for hundreds of millions of dollars.

According to the study, about €4.6bn (\$5.9bn, £3bn) could have been saved through closing this loophole, and instead spending €100m on a simple measure that would eliminate large quantities of the gas.

[Inter-American Commission on Human Rights to Hold Hearing on Global Warming](#)

In a letter to Nobel Peace Prize nominee, Sheila Watt-Cloutier, and representatives of Earthjustice and the Center for International Environmental Law (CIEL) dated February 1, the Inter-American Commission on Human Rights (Organization of American States), has agreed to hold a hearing to

investigate the relationship between Global Warming and Human Rights. The hearing is scheduled for March 1, 2007.

The invitation is in response to a request by Ms. Watt-Cloutier and the environmental organizations, in which they outlined the serious threat that global warming is already having on human rights in the Arctic and throughout the hemisphere.

[Canada's PM promises new stout climate change, foreign policies](#)

Prime Minister Stephen Harper pledged tougher measures to curb global warming and a more forceful Canadian foreign policy Tuesday, on the one-year anniversary of his swearing in.

In a campaign-style speech that bolsters rumblings of a looming general election, Harper said his government would set "enforceable targets" for short, medium and long-term cuts to carbon emissions linked to global warming.

[Oil patch girds for battle with Ottawa](#)

Canadian oil executives have moved to defend their industry as "a major driver of the Canadian economy" amid growing fears in Calgary that the Conservative government is preparing to unveil tough, politically motivated environmental and tax policies.

In a letter obtained by The Globe and Mail, Kathleen Sendall, the chairwoman of the Canadian Association of Petroleum Producers, takes issue with suggestions that the booming oil sands developments are unfairly subsidized and that the highly profitable industry can easily afford tax increases and new environmental regulations that would drive up costs.

[Alberta moves to make emissions targets mandatory](#)

"We need to be reducing greenhouse gas emissions in an absolute sense, and in the long run we need to be reducing them dramatically," said Clare Demerse, a spokeswoman at the Pembina Institute, an environmental-policy think-tank.

Demerse blasted the government's plan to use intensity-based targets, which are measured as a percentage of overall production. Overall emissions could still rise while meeting intensity targets.

[Auditor General right to remove Environment Commissioner](#)

Auditor General Sheila Fraser was right to dismiss her environment auditor, Johanne G  linas. In fact, she really had no choice. While G  linas received praise for her work from most politicians, including Environment Minister John Baird, she clearly stepped well beyond her role as auditor and assumed the mantle of activist, an approach that undermined the credibility of the Auditor General's office.

Canada's Commissioner of Environment and Sustainable Development, is, according to the Auditor General Act, assigned to audit "how well the federal government is meeting its environmental and sustainable development commitments." The Commissioner is also to "provide parliamentarians with objective, independent analysis and recommendations on the federal government's efforts to protect the environment and foster sustainable development."

Nowhere in the Act is it specified that the Commissioner is assigned to promote fundamental policy. But that is precisely what G elinas eventually did and it was apparently her undoing.

[Oil sands engineering firm sold for \\$1-billion](#)

Colt Engineering Corp., a private Calgary company focused on the oil sands, is selling itself for \$1-billion to Australia's WorleyParsons Ltd., saying that being part of a larger foreign company is the best choice to pursue further growth.

Founded in 1973 by two engineers in a small office above a welding shop in Edmonton, Colt has grown to employ 4,600 people. It had considered an initial public offering to generate funds to support increasing contracts for oil sands work and ambitions beyond Canada. But after months of looking at various options, the company chose to sell to WorleyParsons.

[The coming "war" with Canada](#)

Behind this looming turnabout is one very troubling development: Natural gas production in North America has leveled off. Only warm winter weather has so far delivered the continent from a severe crisis. The glib confidence with which Wall Street analysts touted the buildup in gas storage earlier this year betrays their ignorance about how tenuous those supplies really are. Underground gas storage currently stands at 2.8 trillion cubic feet (tcf) and could reach well over 3 tcf if the current hot weather abates and reduces demand for gas used to produce electricity. But those figures amount to a very small buffer when compared to the approximately 26.5 tcf consumed each year across North America. In fact, it is so small that the U. S. Federal Energy Regulatory Commission is taking steps to encourage an expansion of gas storage in order to reduce the volatility in prices.

But you can't store what you don't produce. Even though gas drilling rig counts in the United States have steadily advanced from an average of under 500 in 1999 to 1,376 in June, production remains flat. This has led to high volatility in prices. Since February 2002 prices have risen from a low of a little over \$2 per thousand cubic feet (mcf) to nearly \$15 per mcf last October. Prices have since come down considerably. Even so they are unlikely to stay there if a hurricane again knocks out gas production infrastructure in the Gulf of Mexico or a truly cold winter descends on North America.

[Why 'Diss' Integration? Canada's Incontinent Energy Policy](#)

Canadian oil and gas policy has served, and continues to serve, the interests of oil companies and the US government. It has propped up the US economy by keeping US oil and gas prices artificially low. It has brought enormous returns to the corporations' owners and shareholders. As a capital-intensive industry, it has brought well-paying jobs to some areas of Canada, as well as significant revenues to the government of Alberta and, to a lesser extent, other provinces. But as prices for oil and gas continue to rise, and supplies dwindle, Canadians will come to realize that oil and gas integration has left them out in the cold: short-term gains for some have come at the expense of long-term pain for the great majority.

[The Gas Beneath Their Feet: Coal bed methane and community resistance in BC](#)

The Picturesque Bulkley Valley, nestled in northwestern British Columbia, presents an idyllic image of rural life. In these lands, the Wet'suwet'en First Nation maintain their livelihoods and governance on their traditional territory, while nearby, settlers have flourished in agriculture, forestry, mining and tourism over the past hundred years. Divergent interests have split these constituencies in the past, but now Aboriginal and settler communities have found common cause against a proposal promoted by the provincial government: coal bed methane development.

Coal bed methane is a form of unconventional natural gas trapped in coal seams. Although it exists in different states, the methane is most often absorbed into the coal by high water pressure. When water is removed from a coal seam, lowering the pressure, the methane is released and tends to follow the water as it is pumped to the surface.

To extract the methane, numerous wells must be drilled into the coal deposit-far more wells than are typically required for conventional gas development. In addition to the potential industrialization of the landscape, coal bed methane wells often produce large amounts of highly saline or toxic waste water that threatens local aquifers and watersheds.

[State's consultant says nation is primed for using Alaska gas](#)

Q. In your book you predicted the Lower 48 will undergo a severe natural gas supply shortage as rising consumption will outstrip supplies from U.S. and Canadian gas fields. Do you think that this shortage is under way now?

A. I recently submitted an academic article on that with a graduate student in Chicago. We see about 2007 as the peak date for North American natural gas production.

One of the interesting things with natural gas, though, is that the technology is so good that reserves are being depleted much faster. This means the peak may hold out a little longer, maybe even until 2008, then it will be followed by an even sharper fall.

The bottom line is the U.S. is in big trouble. The only really easy substitute for natural gas is oil. Coal and nuclear power will take time. But oil is tight, too.

[Hibernia pushes up maintenance shutdown](#)

A maintenance shutdown at the Hibernia offshore oil platform will start later this month, seven months earlier than scheduled.

Production at the Hibernia field was cut substantially in January after a generator backfired.

[Natural gas terminal on track: Turner](#)

Mark Turner, president and chief executive of Newfoundland LNG Ltd, is optimistic construction will start this spring on the company's proposed liquid natural gas terminal near Arnold's Cove.

Newfoundland LNG's environmental application to the provincial government received conditional approval around the same time the provincial government denied conditional approval to Hibernia South.

[Canada becoming a wind superpower](#)

Canada more than doubled its wind power capacity last year, making the country the world's 12th-largest in terms of installed capacity, a report said Thursday.

It was a record year for Canada, though other countries are still adding capacity at a faster clip, the Canadian Wind Energy Association said.

“Wind energy continues to grow more quickly in many other countries and we are still far from tapping the full economic and environmental potential of wind energy in Canada,” said Robert Hornung, the group's president, in a release.

The report comes as the industry is facing tough questions, though, about the safety of the turbines and the reliability of the power they generate.

[Gaping Reminders of Aging and Crumbling Pipes](#)

Local and state officials across the country say thousands of miles of century-old underground water and sewer lines are springing leaks, eroding and in extreme cases causing the ground above them to collapse. Though there is no master tally of sinkholes, there is consensus among civil engineers and water experts that things are getting worse.

The Environmental Protection Agency has projected that unless cities invest more to repair and replace their water and sewer systems, nearly half of the water system pipes in the United States will be in poor, very poor or life elapsed status by 2020.

[The end of peace: the potential new era of litigation at the WTO](#)

On January 8, some six months after the World Trade Organization (WTO) multilateral trade talks ground to a halt, Canada filed notice that it was seeking consultations with the United States over its corn subsidies, thus setting in motion dispute settlement procedures that could lead to litigation should the two sides fail to reconcile their differences.

Over the following weeks, many more countries joined Canada in the fray, including Argentina, Australia, Brazil, the European Union, Guatemala, Thailand and Uruguay.

[The Green Devolution: Food, energy & the fate of industrial agriculture](#)

This sudden access to millions of years of stored-up solar energy-fossil fuels, remember, come from vast deposits of pre-historic plant matter-changed many things, not the least of which was the fact that we could suddenly support a rapidly growing population. Previously, there had never been more than a few hundred million people on the planet. Around the beginning of the Industrial Revolution, when we were beginning to use fossil fuels with increasing intensity, our population hit one billion for the first time. By the 1930s, world population had doubled to two billion. It doubled again, to four billion, in the late 1970s, and then reached six billion in 1999. Just since 1999, we've added more than a half-billion more human beings-more than the entire population of North America in well under a decade.

Now that's an amazing success for a single species. But exponential population growth, we should remember, is not unheard of in the natural world. In fact, it is instructive to look at other examples of such growth.

[The Vertical Farm](#)

The Vertical Farm is a concept that seeks to address the major concerns of the environmental degradation of the modern city by composting, recycling waste and farming in a standard tenement building. The 'ecological footprint' of the city will be lessened and therefore the city will become a more sustainable setting. The reduction of wastes and the production of foods for consumption will in turn increase the quality of life for all those within the city and its surrounding area. The reduction in transportation of both wastes and of food products and the use of abandoned buildings will directly increase the quality of the urban settling.

[Peak Food: The growing challenge of feeding civilization](#)

Humanity is in the fastest, most sustained food supply drawdown in the 46-year period for which we have data. Moreover, excepting the World Wars, it is probable we're seeing the fastest, most sustained drawdown in a century, maybe longer.

Worldwide, in six of the past seven years, we consumed more grain than farmers produced. We've cut supplies in half over that seven-year period, reducing our grain-on-hand from a 115-day supply to a 57-day supply.

World grain supplies have now fallen to levels not seen since 1973. The problem isn't

merely that supplies have returned to record lows, but rather that there is every indication that they will continue falling. The steep, consistent, and unprecedented decline evident over the past seven years indicates not just the vagaries of weather or production cycles, but rather a systemic problem at the core of our food system that, left unchecked, will lead to significant shortages. These shortages have already begun to manifest themselves; they will intensify over the next two to five years.

[UK Government claims its hands are tied over harmful biofuels](#)

A DoT spokeswoman said: "There is currently no internationally agreed definition of a 'sustainable biofuel'. If the UK were to invent one, it would be vulnerable to challenge under WTO rules."

She denied claims that fuel suppliers lobbied against rules forcing them to buy only certified sustainable biofuels.

Instead, the Government will operate a "name and shame" voluntary scheme encouraging fuel suppliers to buy only biofuels from sustainable sources.

[Clean coal a problem, China says](#)

China will spend more to research global warming but lacks the money and technology to significantly reduce the greenhouse gas emissions that are worsening the problem, a government official said Tuesday.

China "lags behind Europe and the United States" in the technology needed to clean its coal, which accounts for 69 per cent of its energy output, said Qin Dahe, chief of the China Meteorological Administration.

[Crack in nuclear option](#)

The findings have prompted Labor to demand that Prime Minister John Howard rule out his nuclear ambitions for Australia as a motive for trying to wrest control of the nation's water supply system from the states.

"Australia has a water crisis and it's obscene for John Howard to say he favours nuclear power when it guzzles up to 80 per cent more water than other power," Labor spokesman on water Anthony Albanese said.

"Given that nuclear power stations must be sited near significant water supplies, the Prime Minister must give an assurance that his plan to control Australia's water supplies does not include a plan to divert water for his planned 25 nuclear reactors."

[As Inflation Soars, Zimbabwe Economy Plunges](#)

For close to seven years, Zimbabwes economy and quality of life have been in slow,

uninterrupted decline. They are still declining this year, people there say, with one notable difference: the pace is no longer so slow.

Indeed, Zimbabwe's economic descent has picked up so much speed that President Robert G. Mugabe, the nation's leader for 27 years, is starting to lose support from parts of his own party.

In recent weeks, the national power authority has warned of a collapse of electrical service. A breakdown in water treatment has set off a new outbreak of cholera in the capital, Harare. All public services were cut off in Marondera, a regional capital of 50,000 in eastern Zimbabwe, after the city ran out of money to fix broken equipment. In Chitungwiza, just south of Harare, electricity is supplied only four days a week.

[For first time in 6 years, home prices are flat](#)

For the first time in more than six years, Canadian housing prices have remained flat, a sign the country's hot real-estate market may finally be cooling.

Home prices didn't budge between November and December, Statistics Canada said Thursday. It was the first time since June, 2000, that its monthly new housing price index was unchanged.

[Building permits retreat](#)

Canadian building permits retreated much more than expected in December, suggesting activity may be easing after last year's record levels.

Permits pulled back 7.8 per cent for the month after hitting a monthly record in November as the value of both residential and non-residential permits declined, Statistics Canada said Tuesday. Economists had expected a drop of just 2 per cent.

[The Fortunate Fifth](#)

Wall Street, to say nothing of the oil market, has been slow to take on board the implications of a high-inflation, deindustrialising economy masquerading as a low-inflation, high-tech powerhouse. The fact is that the big industries in the United States today are money and coercion, both subsidised by the State, and pretending otherwise does nothing to change the fact. Coercion, euphemistically termed "defence," cost the American taxpayer a staggering \$1,017 billion in 2006, or 32.54% of GDP. Financing costs were a whopping \$319 billion, which, added to the coercion budget, together represent 42.72% of GDP. The financial sector of the economy has grown so large that its profit is fully half that of the non-financial sector. What's good for Goldman Sachs and Lockheed Martin is good for the USA, or at least 20% of it.

[Why is the US press silent on Brzezinski's warnings of war against Iran?](#)

Brzezinski, national security adviser to President Jimmy Carter, is among the most prominent figures within the US foreign policy establishment. He delivered a scathing critique of the war in Iraq and warned that the policy of the Bush administration was leading inevitably to a military confrontation with Iran which would have disastrous consequences for US imperialism.

Most significant and disturbing was Brzezinski's suggestion that the Bush administration might manufacture a pretext to justify a military attack on Iran. Presenting what he called a "plausible scenario for a military collision with Iraq," Brzezinski laid out the following series of events: "Iraqi failure to meet the benchmarks, followed by accusations of Iranian responsibility for the failure, then by some provocation in Iraq or a terrorist act in the US blamed on Iran, culminating in, quote/unquote, 'defensive' US military action against Iran...".

Thus Brzezinski opined that a US military attack on Iran would be an aggressive action, presented as though it were a defensive response to alleged Iranian provocations, and came close to suggesting, without explicitly stating as much, that the White House was capable of manufacturing or allowing a terrorist attack within the US to provide a *casus belli* for war.

[Iran: A War Is Coming](#)

The United States is planning what will be a catastrophic attack on Iran. For the Bush cabal, the attack will be a way of "buying time" for its disaster in Iraq. In announcing what he called a "surge" of American troops in Iraq, George W Bush identified Iran as his real target. "We will interrupt the flow of support [to the insurgency in Iraq] from Iran and Syria," he said. "And we will seek out and destroy the networks providing advanced weaponry and training to our enemies in Iraq."

"Networks" means Iran. "There is solid evidence," said a State Department spokesman on 24 January, "that Iranian agents are involved in these networks and that they are working with individuals and groups in Iraq and are being sent there by the Iranian government." Like Bush's and Blair's claim that they had irrefutable evidence that Saddam Hussein was deploying weapons of mass destruction, the "evidence" lacks all credibility.

[From Bush's Mess in Mesopotamia to the Peril in Persia](#)

President Bush faces a rebellion among the American people and Congress against his call for a surge of troops that will escalate the killing in his Iraq war of choice. So Bush is now attempting to change the subject from the monumental mess of his making in Mesopotamia to an even more monstrous peril in Persia. Iraq and Iran are contemporary names for the ancient civilizations known as Mesopotamia and Persia. Bush lacks public and Congressional support to widen the war in Iraq. His oft-stated cause for war---that Iraq had weapons of mass destruction for imminent use against the U.S. and was complicit in the 9/11 attacks---has proven to be fabrication. Bush appears puppet-like under the influence of Vice-President Cheney and his cabal of neo-con warmongers, the principle architects of the imperialistic mis-adventure in Iraq. We are facing another fear driven, made-up run-up to an even more costly war against Iran to divert our attention from the debilitating debacle in Iraq that has taken such a terrible

toll in lives, suffering and money, and to make more money for oil and war profiteers.

[Somalia: The Next War Has Already Begun](#)

So far, so bad. While most of us haven't been paying much attention, the US action in the Horn has stirred up Somalia's civil war, sent an armory of new weapons to local warlords and sparked a new refugee crisis. (Last month, the Kenyan government closed its borders those fleeing the bombing.) According to local reports, Courts Union Islamists gain favor with every assault, as they cast themselves as victims of US imperialism.

Welcome to the next war now. The US engagement in Somalia is what the new generation of US wars is likely to look like and it would behoove the US peace movement to pay attention.



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